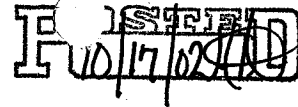


Shoals Sewer Company

Shoals of Anderson, Inc.

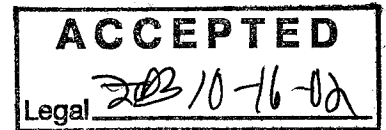
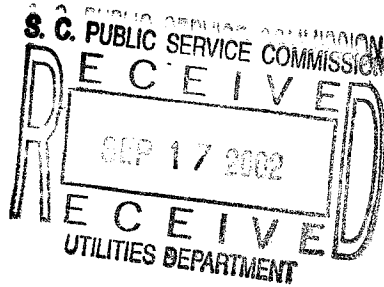


The Shoals

D. Fred Allen, President

September 15, 2002

Public Service Commission  
P. O. Drawer 11649  
Columbia, S.C. 29211



Subject: Sewer Rate Increase

Dear Sirs:

2002-341-S

Enclosed and attached is information you request of the Shoals Sewer Company for consideration for my requested rate increase. Using your guideline list supplied by you, please find as follows:

1. Due to the growing age of the plant requiring more and more maintenance, the increased cost of this maintenance, the increased costs of sludge removal, more customers having been added to the system since the last rate increase, and DHEC requirements and fines, have all contributed to the need to increase monthly sewer rates.
2. Income and expense (profit and loss) statement for the year ending 12/31/01, which was used for income tax purposes, is attached.
3. The new proposed rate would be \$35.00 per unit per month, The existing rate is \$25.00/mo.
4. Test year period will be the year ending 12/31/01.
5. Pro Forma income and expense (profit and loss) statement is attached.
6. Balance sheet is attached.
7. Depreciation schedule is on file in the last Annual Report.
8. Number of present customers is now 105, and expect no new customers this next year.
9. Cost justification for a rate increase is evident from the current profit and loss statement attached.
10. Performance bond is on file.
11. Current service area map is on file.
12. Total plant investment by categories is included on Annual Report on file.
13. Approval from DHEC in the form of last Satisfactory Inspection, dated 8/12/02, is attached.
14. Customer bill form is attached.

Sincerely,

D. Fred Allen, President

Item #13



South Carolina Department of Health  
and Environmental Control

## Wastewater Treatment Facility Operation & Maintenance Evaluation Report

Appalachia I District

Anderson, SC 29621

2404 N. Main St.

(864) 260-5569

(864) 260-4855 Fax

NPDES NO. SC0021873  
Facility: SHOALS SEWER WWTF

Pipe: 001

Last Insp. Date: 07/22/02

County: ANDERSON  
Owner: FRED ALLEN  
Address: 99 HARBOR DRIVE  
ANDERSON, SC 29625

Phone #: 864 287-3168

Operator Grade: A  
Grade Required: B

Facility Observation Checked	Rating	Field Tests:	Effluent
Flow Measurement	SAT	pH (Su)	7.49
Bar Screen	SAT	D.O. (Mg/l)	7.65
Grinder	SAT	Temp (deg. C)	25.5
Grit Removal		TRC (mg/l)	0.39
Primary Sedimentation		CL2 In C.C.	
Trickling Filter			
Aeration-(Type: <u>DIFF</u> )	SAT		
Secondary Sedimentation	SAT		
Digester			
Ponds			
Post Chlorination	SAT		
Dechlorination	SAT		
Sludge Disposal			
Final Filters			
Spray \ Tile Field			
Housekeeping	SAT		
Other-POST AERATION	SAT		

Remarks/Comments/Recommendations:

SATISFACTORY

Overall Rating

08/12/02

Date: (mm/dd/yy)

1040

Military Time

Operator w/Inspector

JON BATSON

DHEC Field Inspector

Reviewed By

Inspection was made to determine the operating condition of the plant and, is not to be interpreted that adequate treatment is being provided.



Wastewater Treatment Facility  
Operation & Maintenance

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[illegible]

SHORE SERVICE COMPANY - 2001 Profit & Loss Statement w/Deposited Cash Increase for Test Year

WILSON JONES 27110 BURE 271100 01/01/01

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
EXPENSES													
Admin - Jue - DHEC													400
S.C. Paper													382
Property Taxes													400
Depreciation & Question													1058
Sub - Insurance													400
Chemical													400
Electricity - But													93
Water - Sandy, Pgs													240
Office Supply													138
Postage													120
Bank charges													120
Office Rent & 100 line													360
Administrative @ 300 line													0
Utility & Budget													1050
Security Service													3150
Equipment & 1000 & 1000													100
Phone													21900
Depreciation - Rent (9800)													4050
" " - Jue (12000)													2880
Net on line													7200
Total Expenses													36638
Income - Jue (90%)													34690
Jue													1000
Net (98%)													4000
Net (98%)													4058

9.96%

*Item # 6*

## SHOALS SEWER COMPANY

### Balance Sheet

#### Assets:

Land (0.18 acres)	=	10,000	
Plant	=	88,000	
Lift Station	=	5,000	
Main Collection Lines	=	72,000	
Equipment and Supplies	=	800	
Anchor Point Judgement	=	60,000	
Cash on Hand and in Banks	=	2,271	
Accounts Receivable	=	<u>1,455</u>	
		239,526	239,526

#### Liabilities:

Accounts and Bills Payable	=	-0-	
Loans Payable	=	261,202	
DHEC Fine	=	<u>12,000</u>	
		273,202	<u>273,202</u>

**Net Worth** (33,676)

Prepared as of September 15, 2002

D. Fred Allen, President

*D. Fred Allen*